

VAISHALI SUGAR & ENERGY LIMITED

Directors' Report

To
The Shareholders,

Your Directors have pleasure in presenting their First Annual Report on the performance of your company along with the Audited Accounts of the Company for the year ended 31st March, 2015.

Financial Results

The Statement of Profit & Loss for the year under review shows a loss of Rs. 28,210/- for the year which is proposed to be carried forward.

Dividend

Your Directors not recommend any dividend for the year ended 31st March, 2015.

Capital

During the year under review, there has been no change in the capital base of the Company which comprised of 50,000 fully paid Equity Shares of Rs. 10 each.

State of Company's Affairs and Future Outlook

The Company was incorporated on 19th March, 2015, as a wholly owned subsidiary of The Oudh Sugar Mills Limited, pursuant to a proposed Scheme of Arrangement entered into by them.

Material Changes Affecting the Financial Position of the Company

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

Details of significant & material orders passed by the regulators or courts or tribunals

No significant & material order has been passed by regulator or court or tribunal against the Company.

Particulars of Loan, Guarantee and Investments under Section 186

There were no Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

Related Parties Transactions

There was no arrangement or contracts made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

VAISHALI SUGAR & ENERGY LIMITED

Directors' Report (Contd.)

Directors

The Company has three Non-Executive Directors having varied experience.

Board Meetings

During the year under review one Board Meeting was held on 27th March, 2015.

Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 :

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2015 the applicable accounting standards had been followed along with proper explanations relating to material departures; if any;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the annual accounts on a going concern basis.
- e) that the Directors had laid out internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Auditors, Audit Qualifications And Board's Explanations

Statutory Auditors

The Auditors M/s. L. C. Beri & Co., Chartered Accountants, 36, Strand Road, Kolkata - 700 001 having Firm Registration No. 305027E allotted by The Institute of Chartered Accountants of India (ICAI) retire as Auditor of your Company at the ensuing Annual General Meeting (AGM) and have confirmed their eligibility and willingness to accept the office of Auditors, if appointed. Your Company has obtained a written consent form M/s. L. C. Beri & Co., to the effect that their appointment, if made, will be within the limits specified under Section 139 and 141 of the Companies Act, 2013 and are eligible for appointment.

VAISHALI SUGAR & ENERGY LIMITED

Directors' Report (Contd.)

Fixed Deposits

The Company has not accepted any deposits from the public and as such there are no outstanding fixed deposits in terms of Companies (Acceptance of Deposit Rules) 2014.

Energy Conservation, Technology Absorption And Foreign Exchange Earning & Outgo

As the Company has no manufacturing activity the provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

Particulars Of Employees

There was no employee in the Company who was in receipt of remuneration as required to be disclosed under section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Details of Subsidiary, Joint Venture or Associates

The Company does not have any Subsidiary, Associate or Joint Venture Company.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure A".

Acknowledgement

Your Directors wish to place on record their appreciation for the services rendered to the Company by its employees and shareholders. Your Directors also wish to express their sincere thanks to bankers and other lenders for their continued co-operation and assistance.

For and on behalf of the Board
Deepak Kumar Sharma
Director
DIN : 02120944

Ashok Kumar Daga
Director
DIN : 03621528

Kolkata
Dated : 4th May, 2015

VAISHALI SUGAR & ENERGY LIMITED

ANNEXURE - 'A'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

CIN	U15122UP2015PLC069634
Registration Date	19th March, 2015
Name of the Company	Vaishali Sugar & Energy Limited
Category / Sub-Category of the Company	Company limited by shares, Indian Non-Government Company
Address of the Registered Office and contact details	P.O. - Hargaon, Dist. - Sitapur - 261121 Uttar Pradesh, Phone : 05862 256 220
Whether listed Company	No
Name, Address & Contact details of Registrar & Transfer Agent, if any	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Not Applicable		

Note - The Company is yet to commence operations.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	The Oudh Sugar Mills Limited	L15432UP1932PLC025186	Holding	100%	2(46)

VAISHALI SUGAR & ENERGY LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter and Promoter Group	—	—	—	—	—	—	—	—	—
Indian	—	—	—	—	—	—	—	—	—
Individuals / Hindu Undivided Family	—	—	—	—	—	—	—	—	—
Central Government / State Government(s)	—	—	—	—	—	—	—	—	—
Bodies Corporate	—	49930	49930	99.86	—	49930	49930	99.86	—
Financial Institutions / Banks	—	—	—	—	—	—	—	—	—
Any Other (Total)	—	70	70	0.14	—	70	70	0.14	—
Sub Total (A) (1)	—	50000	50000	100.00	—	50000	50000	100.00	—
Foreign	—	—	—	—	—	—	—	—	—
Individuals (Non-Resident Individuals / Foreign Individuals)	—	—	—	—	—	—	—	—	—
Bodies Corporate	—	—	—	—	—	—	—	—	—
Institutions	—	—	—	—	—	—	—	—	—
Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
Any Other (Total)	—	—	—	—	—	—	—	—	—
Sub Total (A) (2)	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	—	50000	50000	100.00	—	50000	50000	100.00	—
Public Shareholding	—	—	—	—	—	—	—	—	—
Institutions	—	—	—	—	—	—	—	—	—
Mutual Funds / UTI	—	—	—	—	—	—	—	—	—
Financial Institutions / Banks	—	—	—	—	—	—	—	—	—
Central Government / State Government(s)	—	—	—	—	—	—	—	—	—
Venture Capital Funds	—	—	—	—	—	—	—	—	—
Insurance Companies	—	—	—	—	—	—	—	—	—
Foreign Institutional Investors	—	—	—	—	—	—	—	—	—
Foreign Venture Capital Investors	—	—	—	—	—	—	—	—	—

VAISHALI SUGAR & ENERGY LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
Any Other (Total)	—	—	—	—	—	—	—	—	—
Sub-Total (B) (1)	—	—	—	—	—	—	—	—	—
Non-Institutions	—	—	—	—	—	—	—	—	—
Bodies Corporate	—	—	—	—	—	—	—	—	—
Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To > Rs. 1 Lakh	—	—	—	—	—	—	—	—	—
Individuals - ii. Individual Shareholders Holding Nominal Share Capital in Excess of Rs. 1 Lakh	—	—	—	—	—	—	—	—	—
Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
Clearing Member	—	—	—	—	—	—	—	—	—
Directors / Relatives	—	—	—	—	—	—	—	—	—
Foreign Company	—	—	—	—	—	—	—	—	—
Foreign National	—	—	—	—	—	—	—	—	—
HUF	—	—	—	—	—	—	—	—	—
Non Resident Indians (Non Repat)	—	—	—	—	—	—	—	—	—
Non Resident Indians (Repat)	—	—	—	—	—	—	—	—	—
Office Bearers	—	—	—	—	—	—	—	—	—
Trust	—	—	—	—	—	—	—	—	—
Sub Total (B) (2)	—	—	—	—	—	—	—	—	—
Total Public Shareholding (B) = (B) (1) + (B) (2)	—	—	—	—	—	—	—	—	—
Total (A) + (B)	—	—	—	—	—	—	—	—	—
Shares held by Custodians and against which Depository Receipts have been issued	—	—	—	—	—	—	—	—	—
Promoter and Promoter Group	—	—	—	—	—	—	—	—	—
Public	—	—	—	—	—	—	—	—	—
Grand Total (A)+(B)+(C)	—	50000	50000	100.00	—	50000	50000	100.00	—

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ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares pledged / encumbered to total shares	
Santosh Kumar Poddar	10	0.02	—	10	0.02	—	—
Dilip Patodia	10	0.02	—	10	0.02	—	—
Anand Sharma	10	0.02	—	10	0.02	—	—
Kailash Chand Gupta	10	0.02	—	10	0.02	—	—
Brij Mohan Agarwal	10	0.02	—	10	0.02	—	—
Sunil Choraria	10	0.02	—	10	0.02	—	—
Subramanian Sathyamurthy	10	0.02	—	10	0.02	—	—
The Oudh Sugar Mills Limited	49930	99.86	—	49930	99.86	—	—
	50000	100.00	—	50000	100.00	—	—

These are nominee shareholders on behalf of Upper Ganges Sugar & Industries Limited

iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	—	—	—	—
Changes during the year	50000	100	50000	100
At the end of the year	50000	100	50000	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Not Applicable				

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v) Shareholding of Directors and Key Managerial Personnel :

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Mr. Neelesh Jain, Director	—	—	—	—
At the beginning of the year	—	—	—	—
Changes during the year	—	—	—	—
At the end of the year	—	—	—	—
Mr. Deepak Kumar Sharma, Director	—	—	—	—
At the beginning of the year	—	—	—	—
Changes during the year	—	—	—	—
At the end of the year	—	—	—	—
Mr. Ashok Kumar Daga, Director	—	—	—	—
At the beginning of the year	—	—	—	—
Changes during the year	—	—	—	—
At the end of the year	—	—	—	—

VAISHALI SUGAR & ENERGY LIMITED

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	—	—	—	—
Change in Indebtedness during the financial year				
- Addition	—	—	—	—
- Reduction	—	—	—	—
Net Change	—	—	—	—
Indebtedness at the end of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	—	—	—	—

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and/or Manager

Sl. No.	Particulars of Remuneration		Total Amount
1.	Gross Salary	Nil	Nil
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961		
	b) Value of perquisites u/s 17(2) Income tax Act, 1961		
	c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961		
2.	Stock Options		
3.	Sweat Equity		
4.	Commission		
	- as % of profit		
	- as others, specify		
5.	Others, please specify		
	Total (A)	Nil	Nil

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Neelesh Jain	Mr. Deepak Kumar Sharma	Mr. Ashok Kumar Daga	
1.	Independent Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total B (1)				
2.	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total B (2)				
	Total (B) = (B)(1) + (B)(2)	Nil	Nil	Nil	Nil

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C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration			Total Amount Lacs
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961			
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961			
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			
	- as % of profit			
	- as others, specify			
5.	Others, please specify			
	Total	Nil	Nil	Nil

VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act.	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding			None		
B. DIRECTORS Penalty Punishment Compounding			None		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			None		

VAISHALI SUGAR & ENERGY LIMITED

Independent Auditor's Report

To the Members of Vaishali Sugar & Energy Limited

Report on the Financial Statements

We have audited the accompanying financial statements of VAISHALI SUGAR & ENERGY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

VAISHALI SUGAR & ENERGY LIMITED

Independent Auditor's Report (Contd.)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements As required by Section 143 (3) of the Act, we report that :

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For L. C. BERI & CO.,
Chartered Accountants
Firm Registration No. 305027E
S. NANDY
Partner
Membership No. 055217

36, Strand Road
Kolkata - 700 001
Dated : 4th May, 2015

VAISHALI SUGAR & ENERGY LIMITED

Balance Sheet as at 31st March, 2015

	<u>Notes</u>	<u>As at 31st March, 2015</u> <u>Rs. in Lacs</u>
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	2	5.00
Reserves & Surplus	3	(0.28)
		<u>4.72</u>
Current Liabilities		
Trade Payables	4	—
Other Current Liabilities	4	0.28
		<u>0.28</u>
Total		<u>5.00</u>
ASSETS		
Current Assets		
Cash and Bank Balances	5	5.00
Total		<u>5.00</u>

Summary of significant accounting policies 1.C

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

36, Strand Road Kolkata - 700 001 Dated : 4th May, 2015	For L. C. BERI & CO., Chartered Accountants Firm Registration No. 305027E S. Nandy Partner Membership No. 055217	For and on behalf of the Board of Directors Deepak Kumar Sharma Director Ashok Kumar Daga Director
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VAISHALI SUGAR & ENERGY LIMITED

Statement of Profit and Loss for the period ended March, 2015

	<u>Notes</u>	<u>For the period ended 31st March, 2015</u> Rs. in Lacs
Income		
Income		—
Total Revenue		<u>—</u>
Expenses		
Other Expenses	6	<u>0.28</u>
Total Expense		<u>0.28</u>
Profit / (Loss) before Tax		<u>(0.28)</u>
Tax Expenses		
Deferred Tax Charge / (Credit)		<u>—</u>
Total Tax Expense		<u>—</u>
Profit / (Loss) for the year		<u>(0.28)</u>
Earnings per Equity Share (nominal value of share Rs. 10/-)		
Basic & Diluted	7	<u>(0.56)</u>

Summary of significant accounting policies 1.C

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For L. C. BERI & CO., <i>Chartered Accountants</i> Firm Registration No. 305027E 36, Strand Road Kolkata - 700 001 Dated : 4th May, 2015	For and on behalf of the Board of Directors Deepak Kumar Sharma Director Ashok Kumar Daga Director	For L. C. BERI & CO., <i>Chartered Accountants</i> Firm Registration No. 305027E 36, Strand Road Kolkata - 700 001 Dated : 4th May, 2015
S. Nandy <i>Partner</i> Membership No. 055217		S. Nandy <i>Partner</i> Membership No. 055217

VAISHALI SUGAR & ENERGY LIMITED

Cash Flow Statement for the period ended 31st March, 2015

	<u>For the period ended 31st March, 2015</u> Rs. in Lacs
(A) CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit / (Loss) before Tax	<u>(0.28)</u>
Operating Profit before Working Capital Changes	
Increase in Trade Payables & Other Liabilities	<u>0.28</u>
NET CASH GENERATED FROM OPERATIONS	<u>—</u>
(B) CASH FLOW FROM FINANCING ACTIVITIES	
Issue of Equity Shares	<u>5.00</u>
NET CASH FROM FINANCING ACTIVITIES	<u>5.00</u>
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B)	<u>5.00</u>
* Cash & Cash Equivalents - Closing Balance	<u>5.00</u>

* Represents Cash and Bank Balances as indicated in Note 5

As per our report of even date

For L. C. BERI & CO., <i>Chartered Accountants</i> Firm Registration No. 305027E 36, Strand Road Kolkata - 700 001 Dated : 4th May, 2015	For and on behalf of the Board of Directors Deepak Kumar Sharma Director Ashok Kumar Daga Director	For L. C. BERI & CO., <i>Chartered Accountants</i> Firm Registration No. 305027E 36, Strand Road Kolkata - 700 001 Dated : 4th May, 2015
S. Nandy <i>Partner</i> Membership No. 055217		S. Nandy <i>Partner</i> Membership No. 055217

VAISHALI SUGAR & ENERGY LIMITED

Notes to Financial Statements for the year ended 31st March, 2015

1.A. BACKGROUND

Vaishali Sugar & Energy Ltd. is a subsidiary company of The Oudh Sugar Mills Limited. The Company has been Incorporated on 19th March, 2015 with the main object of carrying on the business of manufacture and sale of sugar, ethyl alcohol Including ethanol, co-generation of power and by-products. It has not started any business activity.

1.B. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2005, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

1.C. Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax Jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the

VAISHALI SUGAR & ENERGY LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred Income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deterred tax libellees are recognized for all taxable timing differences. Deterred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be reanized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the company is entitled to a tax holiday under the income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deterred tax (asset or liability) is recognized In respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deterred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restriction recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable Income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the company re-assesses unrecognized deferred tax assets, it recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain as the case may be, that sufficient future taxable Income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable Income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deterred tax liabilities are offset, it a legally enforceable right exists to set-off current tax assets against current tax liabilities and the

VAISHALI SUGAR & ENERGY LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

deterred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

(c) **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilative potential equity shares.

(d) **Preliminary Expenses**

In accordance with the requirements of Accounting Standard - 26, Preliminary expenses incurred in connection with the formation of the company are charged off in the year such expenses are Incurred.

(e) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(f) **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

VAISHALI SUGAR & ENERGY LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	As at 31st March, 2015
	Rs. in lacs
2. Share Capital	
Authorised Shares :	
50,000 Equity Shares of Rs. 10/- each	5.00
	5.00
Issued, Subscribed and Fully Paid-up Shares	
50,000 Equity Shares of Rs. 10/- each fully paid	5.00
	5.00

(a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	As at 31.03.2015	
	No. of shares	Rs. in lacs
Equity Shares	—	—
At the beginning of the Period	—	—
Issued during the Period	50,000	5.00
Outstanding at the end of the Period	50,000	5.00

(b) **Terms / rights attached to Equity Shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

(c) **Shares held by Holding Company**

The above 50,000 Equity Shares of Rs. 10 each are held by its holding Company namely The Oudh Sugar Mills Ltd. and its nominees.

VAISHALI SUGAR & ENERGY LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	As at 31st March, 2015
	Rs. in lacs
3. Reserve & Surplus	
Surplus/(Deficit) in the Statement of Profit & Loss	
Profit / (Loss) for the year	(0.28)
Net Surplus /(Deficit) in the Statement of Profit and Loss	(0.28)
Total Reserves and Surplus	(0.28)
4. Current Liabilities	
Trade Payables	
Other Liabilities	
Amount payable to Holding Company (Refer Note 9)	0.23
Others	0.05
	0.28
	0.28
5. Cash and Bank Balances	
Cash and Cash Equivalents	
Balances with banks :	
- On current account / cheque in hand	5.00
	5.00
6. Other Expenses	
Preliminary Expenses written off	0.23
Audit Fees	0.05
	0.28

VAISHALI SUGAR & ENERGY LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

7. Earning per Share (EPS)	
The following reflects the profit and share data used in basic and diluted EPS computations :	
	31st March, 2015
	Rs. in lacs
Net profit / (loss) after tax for calculation of basic / diluted EPS	(0.28)
Weighted average number of equity shares in calculating basic & diluted EPS	0.50
Earnings per equity share [Nominal Value of share Rs. 10]	
Basic & Diluted (Rs.)	(0.56)
8. The Composite Scheme of arrangement between The Oudh Sugar Mills Limited ('Oudh Sugar'), Upper Ganges Sugar & Industriest Limited ('Upper Ganges'), Palash Securities Limited ('Palash Securities'), Allahabad Canning Limited ('Allahabad Canning'), Ganges Securities Limited ('Ganges Securities'), Cinnatolliah Tea Limited ('Cinnatolliah Tea'), Vaishali Sugar & Energy Limited ('Vaishali Sugar'), Magadh Sugar & Energy Limited ('Magadh Sugar'), Avadh Sugar & Energy Limited ('Avadh Sugar') and their respective Shareholders and Creditors (hereinafter referred to as 'the Scheme' has been approved by the Board of Directors of the Company as per Board Resolution dated on 27th March, 2015. As part of the scheme, the holding company shall transfer the Bihar Business undertaking to the company and then will merge with Magadh Sugar.	
9. The Oudh Sugar Mills Limited, the holding Company, has incurred certain miscellaneous expenses towards the incorporation of the company as stated in Note 4 above, which are to be borne by the Company. The said expenses are reimburseable to the holding Company and accordingly, the same has been shown under the head Current Liabilities.	
10. As the Company has not yet commenced any business activity, segment reporting disclosures as per Accounting Standard - 17, are not applicable and hence not furnished.	

VAISHALI SUGAR & ENERGY LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

11. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding Company The Oudh Sugar Mills Limited

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year :

a. Advances received	Year ended	Advances Received	Repayment	Interest accrued	Rs. in Lacs
					Amount owed to related parties
Holding Company					
The Oudh Sugar Mills Limited	31.03.2015	0.23	—	—	0.23

12. This being the first financial year of the Company, previous year figures have not been given.

As per our report of even date

36, Strand Road
Kolkata - 700 001
Dated : 4th May, 2015

For L. C. BERI & CO.,
Chartered Accountants
Firm Registration No. 305027E
S. Nandy
Partner
Membership No. 055217

For and on behalf of the
Board of Directors
Deepak Kumar Sharma
Director
Ashok Kumar Daga
Director

VAISHALI SUGAR & ENERGY LIMITED